

Management Systems & Workers Compensation Best Practices

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The Business of HSE

- More than meeting legal requirements
 - Improve efficiency
 - Manage change
 - Meet customer requirements and gain competitive advantage
 - Protect brand image, relationship with public and employees
- Saving money by superior HSE performance
 - Productivity: don't hurt your people
 - Resource conservation: use less of it
 - Process optimization: use it better
 - Reuse and recycle: don't throw it away
 - Natural resource stewardship & sustainable development
 - Control legacy costs
 - Compliance: cost of enforcement

The Traditional Way

- HSE viewed as non-operational and not core business issues
- Primarily reactive
 - Auditing: tells you what happened in the past
 - “Fire fighting”: respond after it happens
- Enforcement-Driven
 - Everything Is OK If There Is No Enforcement
 - Performance Measured By Whether Your Are Caught

The Systems Way

- Apply good business management practices to HSE
 - Know your HSE issues & requirements
 - Set measurable objectives
 - Meet them using defined controls and procedures
 - Measure performance
- Integrate HSE management into operations: Their issues, their job.
- Do it right the first time
 - Build performance in rather than try to audit it in
 - People should know how to do their job so that they can consistently do the right thing at the right time

Impact of a Safety Management System

- A site which has an effective HSE-MS will have a higher degree of confidence that compliance exists at any point in time.
- They will recognize program areas needing attention at an early stage and they are geared toward continuous improvement.
- The maturity of that system determines it's effectiveness.

Controlling WC Cost

- * An Effective Safety Process
- * Proactive Claims Management
 - * Medical Cost-Containment
 - * Active Litigation Of Fraudulent Claims
 - * Aggressive Negotiation Of Disability Payments
 - * Return-To-Work Programs

**Worker's Compensation Is A Serious Business Issue
That Requires Aggressive Management**

WC Best Practices

- Establish a Workers' Compensation Policy
- Provide alternative work to assist employees in returning to their regular job
- Provide employees with quality medical care - Ensure they receive consistent/expedient medical treatment
- Maintain a work environment that demonstrates concern/respect for the care of the injured/ill employee
- Inform employees of their WC rights/responsibilities, explain benefits, explain how costs are charged back to the business.

WC Best Practices

- Promptly report and process all incidents to assure early intervention, quality medical care and a timely return to work
- Plant Manager designates a WC Coordinator who is responsible/accountable for managing the WC process
- Members of the WC Team include Plant Management, Medical, WC Coordinator, Claims Administrators - Each has specific roles/responsibilities

**A Successful Worker's Compensation Program
Requires Teamwork**

Changing the Mindset

Sites that don't get it

- * Denial regarding performance
- * Blaming others ...lack of ownership
- * Not driving change to improve performance
- * Resting on laurels
- * Lack of candor
- * We're "different mentality"
- * Isolationist attitude
- * Sugar Coating and positive spinning
- * "Not Invented Here" Syndrome
- * Don't challenge assumptions

Sites that get it!

- * Leaders actively engaged in risk assessment and risk management
- * Focused on period over period performance improvement and have a plan to get there....
- * Teams implementing HSE Management System (HSEMS)
- * Regular HSE inspections performed
- * Deep understanding of hazards, risks, controls
- * Know "Root Cause" of Problems / Develop Detailed Corrective Actions
- * Training needs identified and fulfilled
- * Regulatory obligations known

Conclusions

- The business is run with management systems: that is what managers do
- Management systems are the path to integrating HSE performance into business operations
- HSE management systems are necessary to achieve consistent and sustained excellent performance
- Stakeholders(employees, communities, customers, shareholders and regulators), demand systematic excellence
- It can be done: Using existing management and HSE systems and widely accepted management systems criteria



You will achieve the level
of safety excellence that

YOU
DEMONSTRATE
YOU

WANT